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Government  
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Submission

to the

House of Commons Standing Committee on Agriculture

on the subject of

Bill C-46, The Meat Import Act



Canada

June 23, 1981



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House of Commons Standing Committee on Agriculture  
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Bill C-46, The Meat Import Act

Ottawa, Canada

June 23, 1981

1. We welcome the opportunity of presenting our views to your committee on the contents of Bill C-46, the proposed "Meat Import Act" introduced into the House of Commons for first reading on November 24, 1980.
2. Although referred to as the "Meat Import Act", Section 2, the interpretation section of the bill, confines the definition of "meat" to include only "fresh, chilled and frozen beef and veal". The narrowness of Bill C-46's application suggests that the Act should be entitled the "Beef and Veal Import Act".
3. The ambiguity of the bill is, however, not confined to its title.
4. As an organization of farm families, many of whom produce beef, we seriously question the real purpose and intent of this proposed Act.
5. Our reservations are not motivated by disagreement over the principle of controlling beef imports. However, even now as we discuss provisions of the proposed Act, many beef producers across the country are experiencing severe financial hardship in their beef production enterprises, at least partially as a result of the rather massive number of live slaughter cattle that have been imported from the U.S. thus far in 1981 resulting in depressed prices.
6. The issue of live cattle imports was studied by the Senate Standing Committee on Agriculture, and reported in an October 1977 publication entitled "Recognizing Realities - A Beef Import Policy for Canada". It stated in part:  
  
"To exclude live slaughter cattle would permit disruptions of our markets by American exports as happened in 1973 and to exclude cooked and preserved beef and veal would open the possibility for circumvention of the quotas."
7. When the Senate Committee later brought forward its proposed Beef Import Act, Bill S-13, it had abandoned "reality" and excluded certain classes of live slaughter cattle.



8. In his appearance before the Senate Standing Committee on Agriculture, March 8, 1978, Minister of Agriculture Whelan stated in part as follows:

"The only time American cattle come into Canada is when the Canadian price is higher than the U.S. price and the only time Canadian cattle are shipped to the United States is when the price in the U.S. is such that it can warrant the costs involved in shipping to the U.S. Given the devalued dollar, very few American cattle are coming into Canada."

9. The exceptions to this general theory are very evident this year. Up to May 24, 1981, 87,262 slaughter cattle had been imported, mostly into Ontario, compared to total 1980 imports of 51,769 and 1979 imports of 19,142.

10. It would be ludicrous to suggest that beef producers need to be protected from possible adverse influences on markets and prices because of dressed beef and veal imports but pretend that imports of live slaughter cattle are irrelevant to their interests.

11. And, of course, Bill C-46 does not argue that beef producers need to be protected as some might assume is the purpose of this legislation, nor does it imply that the importation of live slaughter cattle is without consequence to cattle prices in Canada. This Act contains no commitment for the preservation or expansion of the beef producing sector of agriculture in this country. It is essentially not a piece of agricultural legislation, but is, rather, industrial and consumer oriented legislation.

12. The industrial bias of Bill C-46 is confirmed in Section 3. This section presents the illusion of vesting considerable discretionary power with the Minister of Agriculture allowing him to establish restrictions on the quantities of meat imported.

13. However, the Minister of Agriculture's discretionary power to act on behalf of farmers, for example, is only conditional upon the concurrence of the Minister of Industry, Trade and Commerce, who thereby effectively holds the power of veto over any and all meat import decisions.



14. The minimum level of beef imports provided for in the General Agreement on Tariffs and Trade (Bill C-46, Section 4), also cannot be altered except as permitted by the provisions of that Agreement.

15. As we know, under the current GATT, Canada agreed in 1977 to an import quota for beef of 139.2 million pounds minimum annual market access, this level to increase in proportion to population increase.

16. For the year 1981, the Minister has announced an open quota on all beef imports, reflecting the degree to which the current market system and federal lack of commitment toward beef producers in general and the concept of self-sufficiency in particular, have been allowed to deteriorate.

17. Section 5 of Bill C-46 represents an elaborate mechanism for the security and retention of confidentiality of information contained in trade and customs documents which the Minister may require. In short, it is intended to protect the industrial sector of the meat trade in such a manner that the public in general remains uninformed about the trading activities of large corporations.

18. An insight into the situation that may have existed in 1976 when 186 million pounds of Australian and New Zealand meat was imported, was provided when the Minister of Agriculture appeared before the Senate Agriculture Committee on March 8, 1978. He stated in part:

"....By the way, they (Australia and New Zealand) just did not ship it in here and hope somebody would buy it. Your great Canadian meat packing industry bought that meat and brought it in themselves. Canada Packers, I believe, are the greatest importers of that, with their agents in Oceanic countries. They made a bundle on it and don't think they did not. Anyone who is in that business knows that they are making more money than any beef producer is right now on the increase in price of Australian and New Zealand meat that they have had in storage. That is part of the system, of course, under which we are operating. There is nothing wrong with making a decent profit, but if a farmer has to feed a cow all winter and maybe not make 10 cents and it can be kept in the warehouse for just a few weeks or months, and realize 10 cents or maybe 14 cents, that is a little too much."

19. The accuracy of this statement has never been challenged, nor has the extent to which meat packing companies profited from 1976 imports ever been revealed.



20. We submit the public in general and farmers in particular have an interest in the corporate activities of the meat trade and the degree to which profiteering on cheap Oceanic beef, for example, sold under the umbrella of a North American price structure, is taking place.

21. How do we know that the kind of profiteering the Minister referred to is not standard practice, even on meat imported within the normal bounds of quota regulations? Certainly it points to the vested interest the packing industry has in assuring that a larger share of our future meat requirements be imported from off-shore. Industry, through manipulation of the market system, has a great deal of power to control beef prices. Every time a beef producer is forced out of business in this country, it appears the packinghouse industry stands to gain.

22. Freedom of Information legislation broad enough in scope to cast some light on the murky darkness that surrounds the business operations of large international meat trading corporations such as Canada Packers, is badly needed.

23. Currently, as matters stand, government is highly suspect of fulfilling a role of accomplice to big business in covering up any blatant dealings that might prove, if revealed, to be embarrassing to both.

24. Section 5 of Bill C-46 points strongly in that direction. It provides no penalty for an importer who may have violated regulations but would penalize any individual with access to information and who, because of outrage, publicly disclosed such violations.

25. Only such information as a business person or corporation consents in writing to release can be released (Section 5, s.s. (3) (a) & (b)), other than such information as would otherwise be publicly available. Business has, in Bill C-46, the power to determine public interest.

26. The NFU, as your committee well knows, has a policy which calls for the organization of a National Meat Authority designed to market livestock and livestock products and with authority to manage supplies and regulate imports.



27. We therefore regard the introduction into legislation of piecemeal measures such as Bill C-46 as less than adequate in fulfilling what we believe to be desirable objectives in a livestock policy for Canada.

28. These objectives must include the following criteria:

- Attainment of self-sufficiency (value of exports at least in balance with imports);
- A domestic price relationship established between the farm costs of production and prices received by producers;
- Orderly marketing and fair grading;
- Fair price margins between producer and consumer price levels;
- Retaining the farm family as the basic production unit for beef cattle.

29. We therefore recommend that your committee consider a Meat Import Act as a supply management mechanism within the framework of broader National Meat Authority legislation that would provide a comprehensive marketing and pricing mechanism for all meat produced in Canada. Our organization is fully prepared to discuss the principles and details of NMA legislation.

30. Once this orderly marketing legislation is drafted and after full public discussion, it should be implemented without delay.

31. If the government is politically hesitant about introduction of such legislation, it should consider holding a plebiscite among beef producers to determine the degree of support for change to the existing archaic system of marketing.

32. We regard as no longer acceptable the manner in which the Minister of Agriculture chooses to ignore the broadening demand among beef producers across the country for change to the system of marketing beef. The Canadian Cattlemen's Association is not representative of the majority of beef producers in this country.

33. It is no longer acceptable on the part of the Minister to continually pay lip service to the ideals of orderly marketing. While beef producers are going broke, he chooses to ignore the support for change that is in evidence and fails to



provide leadership or take the initiative with organizations who support orderly marketing.

34. It is precisely this type of doubletalk that is increasingly contributing to fragmentation of federal stabilization policies and leading toward the erosion and breakdown of our beef production industry.

35. In respect to Bill C-46, we recommend that unless its emphasis is re-directed in a substantial way as a commitment toward beef producers, that it be allowed to die on the order paper because, in our view, it is not worthy of passage in its present form.

36. The Act should, as a minimum, be redrafted to include:

- a) Inclusion of all red meat and live animals imported for slaughter;
- b) A preamble that specifies the purpose of the Act as being to assist in:
  - i) Attaining self-sufficiency in meat production;
  - ii) Retaining the farm family as the basic production unit for meat production;
  - iii) Maintaining a price relationship for red meat in Canada which will assure the economic viability of meat producers;
  - iv) Regulating meat supplies in Canada in such a way as to assure price stability to producers and price and supply stability for consumers;
  - v) Developing a system of orderly marketing and fair grading.
- c) The drafting of appropriate sections to implement the above intent;
- d) Appointment of a Meat Commission to administer the Act;
- e) Provisions for public disclosure of violations and penalties assessed against business corporations or individuals found to be in violation of the provisions of the Act.

All of which is respectfully submitted by

THE NATIONAL FARMERS UNION.









